The disinvestment of 26% equity of Indian Petrochemicals Corporation Ltd. (IPCL) through strategic sale was completed on 4.6.2002 New management of IPCL has announced an expansion plan of about Rs. 1,000 crore.

Conclusion of transactions for the hotel properties of ITDC started from 29.11.2001. Many of the properties are under renovation by the new owners. Transactions of 3 hotel properties of Hotel Corporation of India Ltd. were completed during March-June, 2002

For these companies, it is too early to assess performance in terms of turnover and profit.

Utilisation of disinvestment funds

1191. SHRI V.V. RAGHAVAN
SHRI J. CHITHARANJAN

Will the Minister of DISINVESTMENT be pleased to state.

(a) the purpose for which funds received from disinvestment of ITDC hotels were spent; and

(b) the details of amount spent for rural development poverty alleviation, modernisation of public sector enterprises and repaying of loans?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) The disinvestment proceeds accruing to the Government are deposited in the Consolidated Fund of India like any other receipt of Government of India. The expenditures out of the Consolidated Fund of India include outlays for rural development, poverty alleviation, restructuring of public sector enterprises, repayment of loans etc. The expenditure incurred for these purposes is much higher than the receipts from disinvestment. It is not possible to indicate the precise proportion of such expenditure that is met out of the receipts from disinvestment of ITDC hotels.

Achievement of Disinvestment Target

1192. SHRI PREM CHAND GUPTA. Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that against the Government target for disinvestment of Rs. 10,000/- crore each for the years 1999-2000 and

2000-2001 the actual achievement were Rs. 1829 crore and Rs. 2,125 crore respectively reflecting a huge shortfall in actual receipt;

(b) whether it is really necessary to continue with the disinvestment process in the present economic situation; and

(c) if so, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir. The targets and the amount realised through disinvestment during the years 1999-2000 and 2000-2001 are as follows:—

Year	Target (Rs. in crore)	Amount realised (Rs. in crore)
1999-2000	10,000	1,829.14
2000-2001	10,000	1,868.73

The successful implementation of the Government decision for disinvestment in any PSU depends on a variety of factors including market conditions, interest of prospective bidders, adequacy of bid price etc. Moreover, Government never sells its stake in PSUs in distress. In view of this, it has not always been possible to meet the annual targets.

(b) and (c) Yes, Sir. It is necessary that implementation of the disinvestment policy should continue. Unlocking the productive potential of governmental enterprises, opening them for approprate private investment will increase economic activity and have an overall beneficial effect on the economy, employment and tax revenues.

Collection of Revenue through Disinvestment

1193. SHRI CHO S. RAMASWAMY: Will the Minister of DISINVESTMENT be pleased to state:

(a) the total number of units in different sectors of the industry where disinvestment has taken place till June, 2002;

(b) the percentage of the equity disinvested and total revenue collected, so far, through disinvestment;

(c) how many more units are in the pipeline for disinvestment;

(d) by when this process of disinvestment will be completed; and